

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on April 4, 2001 at 3:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: None

Executive Action: SB 445, 4/2/01, SB 484, 4/2/01
SB 322, 4/2/01

EXECUTIVE ACTION ON SB 445

Motion: REP. LEWIS moved DO CONCUR on SB 445.

Motion: REP. LEWIS moved that **NEWSPAPER AMENDMENT TO SB 445 BE ADOPTED.**

REP. LEWIS said he had two amendments. The first one is about the newspaper association and no one seemed to object to keeping the county printing board attached to the department of administration. REP. TROPILA said that was his amendment and had been handed out earlier. He called for the question.

Motion/Vote: REP. LEWIS moved that **TROPILA NEWSPAPER AMENDMENT TO SB 445 BE ADOPTED. Motion carried unanimously.**

Motion: REP. LEWIS moved that **FUNDING AMENDMENT TO SB 445 BE ADOPTED.**

REP. LEWIS said the second amendment is the funding mechanism and would take \$700,000 out of the research commission in lieu of the \$850,000 from the general fund that is currently in the bill. The fiscal note shows \$850,000 and that changes to \$700,000.

REP. LINDEEN spoke against the amendment. Looking at the kinds of projects being funded with the research and commercialization money that was funded, the majority of these deal with the agricultural community. Data indicates that any time we invest in agricultural research we have a good return, but when we start to look at what other states with a successful economy are doing it is key to their success that there is considerable investment in research to the university system. For that reason, she would speak against taking money away from the research and commercialization board.

REP. BUZZAS spoke against the amendment. The appropriations committee discussed this during the special session. The original amount in HB 260 which was declared unconstitutional was much higher. During special session they attempted to come up with the money that would allow the match for the upscore grant program. That money leverages an additional 3-4 times what we put in. There must be some effort on the part of the state to apply for this grant which is a regional thing where we qualify because of our low income but have to show state effort by matching dollars, and this is the minimum we could use to do it. She would not like to see the money taken out as it took a great amount of effort to put it in. When they put the money in, they allocated it to OCHENs and the board of RNC (Resource and Commercialization Board). She said she was disappointed that the

Governor is looking at this source of dollars to fund her economic development program. Economic development is critical and reorganizing the department of commerce and moving positions should save enough for that. To take the money from this source would be detrimental to all parts of the state. The entire state receives benefits from this research and development money.

REP. KASTEN spoke in favor of the amendment. He had looked at the research projects and on page two, wheat stem saw fly \$243,862. That has been researched forever. Page three of the research project shows \$226,000 for a real time coal sensor. If we are not going to mine any coal, we would not need that. The Governor is doing well on research. HB 368 has a \$200 million trust and she amending that to increase from 20% to 25% of these funds going into HB 368. There is an offset going into research there.

REP. FISHER said of the projects on the list for agriculture, only 3-4 are directly related.

REP. BRUEGGEMAN said he understood that the agriculture research dollars will be held harmless in the process. He said he supported the amendment because we will be using these dollars to pay for our D. C. staffer. We have a lot better chance of getting more money from Congress with more research currently.

REP. HAINES said he did not support the amendment. He told about a grant that funded a bee hive research project that seemed far fetched but in reality the information was directly benefitting Montana's \$30 million bee keeper industry. After talking to individuals in charge of other projects, he concluded that we need to support research. We are plucking the feathers off the goose that lays the golden egg when we bother agriculture.

REP. PATTISON spoke against the amendment in light of HB 644 which addresses research and these same funds are targeted for that bill.

REP. LEWIS said when **SEN. TAYLOR** talked about what we have to do if we are going to play in the economic development business, he was right on. We have to have high quality people to send out to private sector and talk to the top level of industry to try and get some jobs in Montana. As a matter priorities, this is the place to put this money. There is concern about the impact on research. He said he is not anti-research, but priorities can be set. It is hard to see the value in some recent research projects. This should be the top priority issue in this session. It is the best proposal to deal with these issues and we need to make the investment. He did not feel comfortable taking it out

of the general fund since we are still struggling to get an adequate fund balance.

Motion/Vote: REP. LEWIS moved that **FUNDING MECHANISM AMENDMENT TO SB 445 BE ADOPTED**. Motion failed 8-10 with Lewis, Brueggeman, Clark, Davies, Fisher, Kasten, Peterson and Witt voting aye.

REP. MCCANN said he would support the bill if we could somehow recognize we are bringing on seven employees to the state of Montana. In that process, we need some degree of assurance that we will see a reduction in employees in that division. Does it make sense to amend this bill saying there will be a reduction in commerce employees if we are going to add these people to the Governor's office. REP. LEWIS said this is a new function. This type of activity at this high of a level with this type of people is something we have not done before in Montana. He looked at it as a new investment in a new function.

Motion: REP. BUZZAS moved that **AMENDMENT SB044502 TO SB 445 BE ADOPTED**.

REP. BUZZAS handed out amendment SB044502, **EXHIBIT (aph76b01)**. She had concerns about accountability and wanted to see evidence that the targeted effort is going to pay off. She is also concerned about the salaries of the positions they are adding. She explained the amendment and said we have representation in Washington D.C., we have field staff in Helena and they already work closely with the Governor. We already have that working relationship. The amendment stipulates we will spend no state money to contract with people in D. C. to look for other sources of federal dollars and gives us some accountability by setting up a report.

REP. KAUFMANN spoke in favor of the amendment asking for accountability. She said it was only right that we be able to measure what kind of good that expenditure is doing.

REP. HAINES moved substitute motion to segregate items 2,3,4 into one amendment and item 1 into another amendment and vote on them separately. REP. BUZZAS said she would accept that. **CHAIRMAN VICK** said discussion would be on item 1 first.

REP. PETERSON spoke on item 1. He said that the experience of other states is that every state that has expanded the job opportunities had a function in Washington. Most also have functions dealing with getting business overseas. Most governor's offices have an office strictly involved in the international business. The congressional offices in Washington are very involved in constituent services, and most states say we

need a concerted effort to explore all possible assistance from government agencies to support economic development. We are a small state, but one that has so much to offer, and he hated to see us fall behind, not following accepted practice of having a Washington office. He asked that this amendment be defeated.

REP. HAINES said he spent time in the Washington environment, legislative and bureaucracy. He is glad to see something out of our governor's office that would deal directly with that environment. The two senators and one congressman are there to deal with a lot of that, but they also take care of a lot of other problems. The lobbying environment is different than what you see here, and having a D. C. staffer would buy us a lot. That is their sole purpose for being there. He urged the amendment that prevents that be voted down.

REP. BUZZAS said she would feel we might not need it if we didn't have such strong effort on the part of **SEN. BAUCUS** working with Governor Martz. She agreed with **REP. PETERSON** and said she would rather see the money spent for someone traveling worldwide.

Substitute Motion/Vote: **REP. BUZZAS** made a substitute motion that **HAINES' SEGREGATED LINE ONE AMENDMENT 02 TO SB 445 BE ADOPTED AS AMENDED**. Substitute motion failed 5-13 with Buzzas, Callahan, Jayne, Kaufmann, and Lindeen voting aye.

CHAIRMAN VICK said discussion would be on items 2,3,4.

REP. JAYNE commented on item 4. This would be a new program where we are expending a lot of money. She supports this.

REP. HAINES supported the amendment, not only to see if we are spending our money effectively, but some of the statistics from this might be useful to the Legislature in terms of further funding, changing the program slightly, or saying parts of it don't need to be done.

{Tape : 1; Side : B}

REP. PETERSON said he looked at the category of jobs created and the average salary and it isn't a bad idea except that we ought to do the same thing for research emanating from the university. Average salary for a full professor there is \$64,000, and that is above what all five of the position heads were going to be. The top person is way below what a football coach is and the president. Yet this is the person that will really bring Montana into the first line for new jobs. The suggested salaries were very modest compared to what other states pay for similar positions and what we pay for the university. He said he had no

objection, but we should ask how many jobs were created to our research and what those salaries are also.

REP. LEWIS said this won't generate much, it will take several years to get going. This is just a set up to embarrass the new organization because it will take several years to unfold.

REP. FISHER said we shouldn't start kicking salaries around. The people elected Governor Martz to run this state and be the manager. She submitted a plan, and we are picking the plan apart before we even know where we are going to get the money.

REP. KASTEN said he echoed **REP. FISHER's** remarks. He asked for a response by the department. **Mark Simonich, Department of Environmental Quality** responded that information given that there is no oversight in the bill is not accurate. Page 13, section 18 amends the section of law that deals with the business and labor interim committee and amends that statute specifically putting the office of economic development under that committee during the interim. We anticipate that just like the department of agriculture, commerce, labor and industry, livestock and others that have to report regularly to that interim committee that the governor's office of economic development would also be doing that. That level of oversight is already planned in the bill.

REP. BUZZAS said there is no malice intended in this amendment. She would just be looking for a progress report, because initially it will take several years. It is important to do, this is the accountability part. She said the section **Mark Simonich** referred to does not do the same thing. The legislature is looking at a commitment on behalf of the governor to do this initiative and the legislature needs to be reported back to directly. That does not happen in this particular section. We need to look at this program as it develops and see if we are headed in the right direction.

Substitute Motion/Vote: **REP. BUZZAS** made a substitute motion that **HAINES' SEGREGATED LINES 2,3,4 OF AMENDMENT 02 TO SB 445 BE ADOPTED AS AMENDED**. Substitute motion failed 9-9 with Buzzas, Callahan, Haines, Jayne, Kaufmann, Lindeen, McCann, Tropila, and Witt voting aye.

REP. JAYNE had Amendment SB044501, **EXHIBIT (aph76b02)**. It added the words "Montana tribal governments". She urged support.

CHAIRMAN VICK questioned sending a copy to all of the tribes for notification.

REP. FISHER asked **REP. JAYNE** if she was aware that in the governor's office there is a liaison between the tribes and the governor's office. This amendment is not necessary. **REP. JAYNE** said the governor now has **Louie Clayburn** as Indian affairs coordinator. The reason for inclusion is that Montana tribes would be able to assist in the governor's plan. Without the inclusion, it is possible the tribes could be left out. The function for the coordinator of Indian affairs is under the governor's office; he does not represent the seven Montana tribes, he represents the governor.

REP. BUZZAS said she did not see any harm in adding this amendment, it is just sharing information. The tribes are also involved in economic development. These are sovereign nations within our state, it is a government to government thing and it made sense.

REP. KASTEN said he would like to segregate items 1 and 2 from item 3.

REP. JAYNE said she is asking for a yes vote. It is prudent to include Montana tribes in the government.

Substitute Motion/Vote: **REP. KASTEN** made a substitute motion that **SEGREGATED ITEMS 1 & 2 OF AMENDMENT 01 TO SB 445 BE ADOPTED AS AMENDED. Substitute motion carried unanimously.**

CHAIRMAN VICK asked for discussion on item 3.

REP. KAUFMANN said that if the tribes would like notification, she can't imagine they really want to read the bill. But providing notification to the tribes is a good idea.

REP. WITT said we shouldn't be doing it. If we are going to send it to them, lets send it to every local government, every city and town. We do have a liaison in the governor's office, this is not necessary.

REP. HAINES said every resolution he had seen this session called for this kind of notification. Every speech the Governor had given about unemployment and economics had talked about the priorities she has for unemployment and tribal governments.

REP. KASTEN said letter notification would be sufficient instead of sending copies of the bill.

REP. FISHER asked if we are going to send one to every city, town and county and the people who live in the country too. This is available to everybody that wants to have it. If they know this

bill is here, the tribes can come in and get it or the liaison can send it out to them.

REP. JAYNE stated that the Indian tribes are sovereign nations. They are not cities, town, and counties. Whether you like it or not, they will always have their own government. They have to be treated as such. She asked for support of this notification to the tribes.

Substitute Motion/Vote: **REP. KASTEN** made a substitute motion that **SEGREGATED ITEM 3 OF AMENDMENT 01 TO SB 445 BE ADOPTED AS AMENDED**. Substitute motion carried 14-4 with Clark, Fisher, Witt, and Vick voting no.

REP. LINDEEN said she thought there was going to be an amendment to move the board of horse racing from commerce to justice. **REP. LEWIS** said that **REP. FUCHS** had talked to him as well, but **REP. CLARK** indicated that the department of justice did not want it. **REP. CLARK** said it was her understanding that department of justice said they do not want the board of horse racing because they cannot promote horse racing there. The board of livestock does want the board of horse racing because they can promote and it is also an agricultural aspect.

REP. WITT asked if there was discussion with **REP. FUCHS** in the last hour. **REP. CLARK** said she just talked to **Director Simonich** and would defer that question to him. **Mark Simonich** said they have had the department of justice call their department with concerns about placing horse racing in justice. Part of the horse racing activity is promoting the gambling. The department of justice regulates gambling through the gambling control division. It was his understanding they were not comfortable trying to meld those two and balance them within the department of justice. It was their preference, as well as the people within the horse racing industry to place it in livestock instead.

REP. LINDEEN offered conceptual amendment to move the consumer affairs division to department of justice.

REP. KASTEN spoke in opposition. The consumer affairs division should be left where it is.

REP. CALLAHAN said the original plan was for consumer affairs to be with justice. This is an appropriate amendment and we should support it.

Motion/Vote: REP. LINDEEN moved that **CONCEPTUAL AMENDMENT TO SB 445 BE ADOPTED. Motion failed 7-11 with Buzzas, Callahan, Jayne, Kaufmann, Lindeen, McCann, and Tropila voting aye.**

REP. KASTEN asked if this bill was going out with money and if so where was it coming from. REP. LEWIS said he thought language on page 30 allocated the money, but he just checked and it does not. The bill is not funded as it stands now. He asked the director to confirm that. Mark Simonich said within the bill is \$350,000 of funding, but not the remainder of the \$850,000. It would only be partially funded. REP. LEWIS said it would be a HB 2 issue if the bill were to pass now, because the fiscal note basically says that to do what the bill says will cost \$850,000 a year.

REP. MCCANN suggested holding the bill for several days to see if funding could be found. If we don't have funding and this is a priority, we could set this aside until we come to an agreement as to where we can find the dollars.

CHAIRMAN VICK said that if bills are sent out of here with fiscal notes that are not funded it would have to be funded somewhere else. Perhaps in HB 2 conference committee or a conference committee on this bill, etc. It would not be the first bill sent out without funding in the fiscal note.

REP. BRUEGGEMAN offered a CONCEPTUAL AMENDMENT for funding from the university lump sum TO SB 445. **Legislative Staffer Taryn Purdy** said they would have to have an amendment for funding to place in HB 2 to do that. All that could be put in place was coordination language in this committee.

{Tape : 10; Side : A}

CHAIRMAN VICK reminded the committee that the last status sheet showed a \$28 million ending fund balance. We have not funded \$5 million of the pay plan, and have not funded \$5 million of what was allocated in HB 121 to schools, which brings us down to \$18. They would have to add \$22 million to that to get us to \$40 million in our ending fund balance. He felt they still didn't have a lot of money floating around.

REP. BRUEGGEMAN said it was a committee decision. If they were going to move the bill forward today, he would let the amendment stand. If they were going to wait on this bill for a day to see what they want, he would withdraw his amendment.

CHAIRMAN VICK recommended holding the bill until tomorrow to look for a funding source. He would leave the bill as it is.

REP. FISHER said this conceptual amendment would not be the thing to do. He would be glad to wait until tomorrow. To send this bill out without funding is not what we were selected for. We can't sell it on the floor if we can't make up our minds here.

REP. BUZZAS said we have sent other bills out of here with no money. It is punitive to consider going to the university lump sum for this. They haven't gotten enough money to keep moving in the direction they should be. If you are seriously going to entertain a motion like that, you decide you are going to shut down one of the campuses, because that is basically what you are talking about. That kind of cut would be very damaging and student tuition would be very high. She hoped they did not go that direction.

REP. BRUEGGEMAN said there was an attempt made to reimburse the university system \$1 million for the money that was going to be taken out of the research money. That money would have offset the supplemental request that the university made for money to fund energy overruns. Bozeman and Missoula are saying they don't want money that is going to go to the whole university system. You have two campuses tying the hands of a lot of the other campuses, the smaller schools. Basically they were saying they did not want to play, before.

CHAIRMAN VICK stated they would move on to the next bill.

EXECUTIVE ACTION ON SB 484

Motion: **REP. TROPILA** moved that **SB 484 BE CONCURRED IN.**

Motion: **REP. MCCANN** moved that **MCCANN AMENDMENT TO SB 484 BE ADOPTED.**

REP. MCCANN said the point of the bill was to create a mechanism to bond some of the reclamation projects that still exist. The concern is that for example, Zortman Landusky had some reclamation that needed to be done. There is federal land in the form of BLM land and the state had taken the lead position for many legitimate reasons. He is suggesting that the bureau of land management, the federal government, had some responsibility to come forward with commitment to reclamation. **REP. MCCANN'S** amendment, **EXHIBIT (aph76b03)**, addressed using bond proceeds in the event there are no federal or private dollars available.

REP. FISHER said there was a law in the mining game that said he who controls the apex of the ore body controls the ore body. We control the apex of the condemnation, and the federal government may tell you they are not interested. He said he was willing to

go along with this because it was probably a good approach and couldn't hurt anything.

Kurt Chisolm, Department of Environmental Quality commented on **REP. MCCANN's** amendment. He said it was harmless as long as the search for federal dollars would stop with a formal denial by a federal agency to produce the funds. That is the situation they had experienced with BLM and EPA relative to other written requests they have sent for assistance to the state in helping fund some reclamation shortfalls at Zortman-Landusky. The EPA wrote back and politely said they don't have any money. There is a certification requirement in section 2 where the director had to certify there were no other funds available to fund these reclamation shortfalls where the bonds are not sufficient to cover the cost of the reclamation. That, in concert with this, the interpretation would be we could ask, but if we are told no in some cases we will have to go forward with some of the water treatment issues anyway. **REP. MCCANN** said he was not trying to convolute this bill or anything of that nature. He is just trying to get BLM, EPA and other entities to come to the table and participate rather than burdening the state with the entire cost of water or land reclamation. He said he would withdraw the amendment if it was a problem.

REP. KAUFMANN asked for comment on how the amendment fit into the bill. **Legislative Staffer Taryn Purdy** said the first word, "that" should not be there. It is saying that "this reclamation could only be used if the state costs of implementing....." If the amendment does pass, the editors can fix that.

REP. PATTISON clarified that because 60% was owned by BLM and they received the royalties, etc. the amendment states that because of the greater portion they received and owned that they should be mandated to come and help with the clean up cost. **REP. MCCANN** said that is correct.

Kurt Chisolm said he should clarify that last statement to the extent that BLM actually does not receive royalties on the ore that was mined up there because that ore was mined under the provisions of the 1872 mining law that does not allow federal land owners to get those kinds of royalties. The state oversees those mines because of our regulatory authority under the sovereign laws of the state, BLM is just a land manager and they now have a polluted piece of land. Whether they do anything about it or not is up to their good will. That is the dilemma we are facing.

REP. MCCANN said he had no closing to make. We have covered everything.

Motion/Vote: REP. MCCANN moved that **MCCANN AMENDMENT TO SB 484 BE ADOPTED. Motion carried unanimously.**

REP. LEWIS asked about a possible amendment on page 1, line 21. That section talks about if there is extra money in that debt service account. What about amending it to put some extra money back in the orphan share account because that is the one we always try to protect. He asked for comment. **Kurt Chisolm** said that amendment was suggested in house natural resources and was rejected by that committee. The department's position is that the revenue projects for this identified debt service fund which is 8.5% metaliferous mines tax that is currently going to the orphan share account is healthy for this upcoming biennium, but beyond that we don't know whether it will be in the \$600,000 plus revenue per year thereafter. Their position is that the excess after the annual debt payment is made would be swept into the actual bond account or it could be kept generating interest in case the department has an opportunity to pay off the bonds early or make additional debt payments against those bonds. The health of the orphan share account was also in question at one point. Given the action of this bill, **SEN. DEBBIE SHEA's** bill, and the bill that creates a coal bed methane trust account, it still is such that the orphan share account would probably receive over \$900,000 a year thereafter. They thought that was sufficient to still allow the orphan share account to take care of the controlled allocation of liability that it is intended to fund. He said it is okay in that regard. **REP. LEWIS** said this is the excess debt service to orphan share, why would it be a problem if they don't lose anything. **Kurt Chisolm** said they don't lose anything, candidly. They thought if the excess were left in the bond account, the account into which bond proceeds were remanded to after the sale of the bonds would be additional money. Then they would not have to pay off these bonds if they could early retire them. Or if the metaliferous mines tax started to dry up, they could be in a position to still help continue paying off the bonds without having the general fund pick up that debt.

Motion/Vote: REP. MCCANN moved that **SB 484 BE CONCURRED IN AS AMENDED. Motion carried 17-1 with Buzzas voting no.**

EXECUTIVE ACTION ON SB 322

CHAIRMAN VICK asked **John Tubbs** for a report on the Resource Indemnity Trust (RIT).

John Tubbs, Department of Natural Resources and Conservation handed out information on Resource Indemnity Trust (RIT), **EXHIBIT (aph76b04)**. He said the two accounts being affected by SB 322, HB 572 and to an extent, SB 484 that just passed are the

reclamation and development and the orphan share accounts. He explained the handouts. The first page is a snap shot of those two accounts, the beginning fund balance, the revenues, the appropriations, and the impacts of the bills. The second page is the actual revenues being deposited. The final page contains the complete picture of RIT. The effects of current legislation are shown on page one. If all bills pass, reclamation and development would have a negative fund balance of \$285,000 and orphan share would have a positive fund balance of \$1,239,054.

REP. LEWIS asked where the weed bill is. **John Tubbs** referred to page three, last column. The negative \$1,540,000 is \$500,000 for the weed bill and \$540,000 for the zero coupon bond.

REP. KAUFMANN asked if the W. R. Grace bankruptcy meant there was likely to be a use for the orphan share account. **John Tubbs** said that is very complicated. **Director Simonich** stated he doubted W. R. Grace would be in a position to apply for the orphan share of that mine site because they took back ownership of the mine site and they are taking responsibility. **REP. BUZZAS** asked about previous testimony that indicated they might be able to make that money up somewhere else. **John Tubbs** said he went back and checked releases, but wasn't able to get the question answered. Typically they have seen from \$100,000 to \$400,000 in grants released each biennium. That is why he indicated earlier they were likely to make that up. **{Tape : 2; Side : B}** Tax revenue estimate from two sessions ago was overestimated and they were down several million dollars. The interest revenue is constant, but the oil and gas taxes and the metaliferous mine taxes vary.

REP. LINDEEN asked about types of positions they would train for, availability, salary levels, etc. **Bill Snody** said he got the job information from continuing education. He handed out "Estimated Program Cost" for two year programs **EXHIBIT (aph76b05)**, and "Montana Department of Labor and Industry Job Order Detail" **EXHIBIT (aph76b06)** and explained them. The information in exhibit 6 will help answer the question of where someone could go in Montana to find work once they have been through a two year training program. Exhibit 5 gives cost of resident tuition and fees for various vocations.

REP. BUZZAS said she sat in on several Hearings that covered the same topic. They had someone come in from Q West testifying that they have openings they are concerned about filling with this same level of jobs. The jobs are there and there is a need for this market. We could put these people back to work for a relatively small investment, get them into better paying jobs, have them stay in Montana and return their taxes to our tax base.

REP. KASTEN said he noticed none of the jobs were in timber. The natural resources committee debated SB 354 at length and it was ultimately passed. He is encouraged that maybe some timber jobs can be carried through.

Motion: REP. LINDEEN moved that **SB 322 BE CONCURRED IN.**

Motion: REP. WITT moved that **AMENDMENT SB032201 TO SB 322 BE ADOPTED.**

REP. WITT said Amendment SB032201, **EXHIBIT(aph76b07)**, would require a report to be filed to the legislative finance committee by June 30 of each even numbered year. The report would include the number of participants in the program, name and location of program, number of job placements and average salary. He urged support of the amendment and a DO PASS on the bill.

REP. BUZZAS said the amendment is an excellent idea.

Motion/Vote: REP. MCCANN moved that **AMENDMENT SB032201 TO SB 322 BE ADOPTED. Motion carried 15-3 with Clark, Lewis, and Vick voting no.**

REP. MCCANN said it wasn't long ago that the RIT went through a re-organization because it had too many expenses attached to it for what the original trust's intentions were. He said he would not support the bill in this funding stream, and he considered it a program that would divert resources away from dollars that go into these communities in many different ways for purposes intended. He said he would move to table the bill. If there was support to override that motion, that was fine. If not, it was putting the committee in the precarious position they started off with four years ago, re-organizing the RIT to try and accomplish many different demands. That is what is going on here.

Motion/Vote: REP. MCCANN moved that **SB 322 BE TABLED. Motion failed 9-9 with Lewis, Brueggeman, Clark, Davies, Fisher, Kasten, McCann, Pattison, and Vick voting aye.**

Motion/Vote: REP. BUZZAS moved that **SB 322 BE CONCURRED IN AS AMENDED. Motion failed 9-9 with Buzzas, Callahan, Haines, Jayne, Kaufmann, Lindeen, Peterson, Tropila, and Witt voting aye.**

REP. BUZZAS spoke in favor of SB 322. Nothing has been passed this session to help workers get back into the job market. These people have been working, paying taxes, voting. This is a minor amount of money that is not coming out of the general fund. It has a good relationship to the source of funding it is coming from. We can do something to help these people. This doesn't

ask that much. If we can come out of this session with one measure that says to the people of Montana who have been laid off, we care about what is going on and we want to extend a helping hand to get you back into employment. This bill is the only one that is still alive that can do that. She urged DO PASS.

REP. WITT spoke in favor of SB 322. There are many folks in the mining industry that need to use this bill. The oil and gas industry is supporting this bill, we have situations in East Helena, Butte, Columbia Falls and south end of Flathead Lake. This committee should support this bill.

REP. KASTEN spoke against the bill. The bill says we have lost 1500 jobs in the timber industry. We have several other programs to help workers that are looking for other jobs, for education. We tried to get a list, and they couldn't even list the number of programs involved. He is also concerned about the RIT that **REP. MCCANN** brought up earlier.

REP. LINDEEN spoke in favor of SB 322. Yes, we have 1,500 people in natural resource jobs alone that are being laid off, plus another 1,000 people around the state in other industries. The numbers continue to climb for various reasons. She understand the concerns about using a certain state fund or account for more reasons than the original intent. These are critical times. We have done incredible things in this committee and this legislature doing things we would not normally do. We are talking about reclaiming a few lives to try and make sure they can continue to support their families and stay in Montana. It would be shameful for this legislature to walk out of here having done nothing for these folks. She urged a DO PASS.

CHAIRMAN VICK asked for clarification on the bill. The bill says \$300,000 of the proceeds of the resource indemnity and ground water assessment taxes (page 9). Page 10 shows \$150,000 of the proceeds of the resource indemnity and ground water assessment taxes. Please explain this, we show \$75,000. **John Tubbs** referred to page 9, line 17. We mentioned there was a double allocation of proceeds and there are two things the amendments are fixing. The double allocation was not only the \$300,000 being funded with resource indemnity and ground water assessment taxes (RIGWA) that coal and other minerals pay. But the oil and gas tax used to say it would be distributed just like the RIGWA tax. So revenue was double allocating. The amendment on page 9 fixes the problem to the ground water assessment account, the bureau of mines. On page 10, when this becomes effective it is at the \$100 million mark. Page 10 fixes that same allocation at \$366,000 on line 8 and introduces **SEN. SHEA'S** proposal of \$150,000 a biennium on lines 10-13. **CHAIRMAN VICK** asked if the \$75,000 was that amount

because it would not reach \$150,000 this year, so it is only for half the biennium. **John Tubbs** said the \$75,000 he spoke of on the reclamation and development account is half of the impact and the other half is \$75,000 out of the orphan share. It is taking the money before it is split to those two accounts. If you take \$150,000 it is a \$75,000 hit to one account and a \$75,000 hit to the other account. There will be a one year allocation of \$150,000 and the impact is \$75,000 to the reclamation account and \$75,000 to the orphan share.

REP. JAYNE spoke in favor of the bill. She asked how many of those who will vote no on the bill before them today voted themselves a raise three months ago. She urged a DO PASS.

REP. VICK said the vote on the raise was done in the last session.

REP. BUZZAS said it is a good investment for a small amount of money and it will help a lot of people get back on their feet, which is something we all would like to see. We just spent a lot of time discussing economic development and this would help.

Motion/Vote: **REP. BUZZAS** moved that **SB 322 BE CONCURRED IN.**

Motion failed 9-9 with Buzzas, Callahan, Haines, Jayne, Kaufmann, Lindeen, Peterson, Tropila, Witt voting aye.

ADJOURNMENT

Adjournment: 4:30 P.M.

REP. STEVE VICK, Chairman

LINDA KEIM, Transcription Secretary

SV/PB/LK Transcribed by Linda Keim

EXHIBIT (aph76bad)